



March 20, 2015

To: Executive Board

Subject: **Exercise of Contract Option - Procurement of 13 Proterra Catalyst Extended Range Electric Buses**

Recommendation

Authorize the Executive Director to exercise an available contract option, negotiate final terms and conditions and execute Option Agreement No. 15-005 with Proterra LLC for the procurement of 13 Catalyst Extended Range 40-foot electric buses in the amount of Nine Million Eight Hundred Seventy-Seven Thousand Six Hundred Sixty Dollars (\$9,877,660), including sales tax.

Analysis

At the April 26, 2013 Executive Board Meeting, a Sole Source procurement of nine electric buses with an option for 18 additional buses was approved by the Executive Board. Since the current service demands of Line 291 mandate a peak demand of nine buses plus three spares for use in the event of a breakdown and to facilitate scheduled preventive maintenance, a decision was made to procure 12 buses. The TIGGER II funding received in 2010, along with a ten percent local match, supported the purchase of more than the nine buses originally envisioned in the grant application and on June 7, 2013 Federal Transit Administration (FTA) clearance to purchase up to 12 buses with the grant funds was granted.

In early 2014, the 12 new additional buses were received and accepted by Foothill Transit. The 12 new buses have now accumulated over 205,000 miles and so far the buses have operated without interruption on Line 291.

Over the past few weeks, three electric buses have been placed in revenue service on Line 855 during the morning hours. In the afternoon, CNG buses are used because those trips interline with an express route.

In May of this year, Proterra unveiled Version 2 of their Electric Bus branded as the "Catalyst". The Catalyst is a 40-foot electric bus that has several design improvements when compared to Proterra's BE35 - the original 35-foot bus.

At the June 27, 2014 Executive Board Meeting, the Board authorized the Executive Director to exercise an option to procure two Catalyst electric buses. The procurement of the Catalyst is in line with Foothill Transit's commitment to environmental sustainability and supports our commitment to



transit bus innovation and new technology as a number of Foothill Transit local lines serve the Pomona Transit Center (PTC) and have operating profiles that make them good candidates for Ecoliner service. Among these are Lines 197, 855, and 292. The two Catalyst electric buses will be placed into revenue service on these other local service routes that can utilize the existing fast-charging infrastructure in place at the PTC.

On February 24, 2015, Proterra announced the launch of a new extended-range product line. With the introduction of the new TerraVolt™ XR extended-range battery, Proterra buses can now be configured to travel up to 100 miles between charges.

The construction of the Azusa Intermodal Parking Facility creates an excellent opportunity for the Catalyst™ XR to be implemented on Foothill Transit's Line 280 which travels between Azusa and the Puente Hills Mall Transit Center, a 22-mile round trip. The extended range capability will allow the bus to operate a round trip from Azusa to Puente Hills Mall Transit Center and back to Azusa, charging only once at the proposed charging station to be built at the Park & Ride.

At about the same time that Proterra announced the launch of the Catalyst™ XR, they were also recommended for award a \$3 Million grant by the California Energy Commission (CEC) through the Advanced Vehicle Technology Manufacturing Grant. This grant solicitation was an offer to fund projects that develop advanced vehicle technology manufacturing facilities in California that produce zero or near zero-emission vehicles, or zero-emission vehicle components. With this grant, Proterra plans to build a California manufacturing facility in the City of Industry, and it is our understanding that this order of thirteen buses will be built at this new facility. One resultant benefit of this new manufacturing facility to Foothill Transit will be our ability to more closely and cost effectively conduct the required factory inspection process during the manufacturing process. The region will benefit from the creation of advanced-technology jobs within the San Gabriel Valley.

The cost of the bus includes savings realized under the **California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)**. HVIP is a unique and streamlined program to help speed the early market introduction of clean, low-carbon hybrid and electric trucks and buses. HVIP accomplishes this by addressing the biggest barrier to the purchase of medium- and heavy-duty advanced trucks: the high incremental cost of these vehicles in the early market years when production volumes are still low. All fleets are eligible,



whether they're public or private, large or small. HVIP aids the introduction of hybrid and electric trucks and buses by reducing the purchase price of these vehicles in California. Base vouchers can cover up to \$110,000 toward the purchase of any zero-emission truck or bus in the HVIP.

The base price for the Catalyst™ XR is \$798,000 plus sales tax of nine percent. Without the HVIP, the cost of the 13 Proterra coaches would be \$11,307,660.

Budget Impact

Funding for this project will be included in Foothill Transit's Proposed Budget and Business Plan for fiscal year 2015-2016. Final award of this contract will be contingent upon approval of the Foothill Transit budget for next fiscal year.

Sincerely,

A blue ink signature of Roland M. Cordero, written in a cursive style.

Roland M. Cordero
Director of Maintenance & Vehicle Technology

A blue ink signature of Doran J. Barnes, written in a cursive style.

Doran J. Barnes
Executive Director